

# Financial Administration of Sponsored Programs

University of Arkansas



# Financial Administration of Sponsored Programs

- This presentation has been prepared to inform departmental faculty and staff about requirements and on-line tools available for financial administration of sponsored programs.

# Sponsored Programs Administration

- Research and Sponsored Programs (RSSP) and the Director of the Agricultural Experiment Station Office (DREX) have the authority to commit the University to a sponsored program. These are the offices to visit for help in establishing sponsored programs, whether it be help with a proposal, finding a sponsor, or other pre-award activities.

DREX handles all USDA related proposals/awards, and most industry agreements with the Division of Agriculture, as well as all Commodity Board funding.

This presentation is specifically meant for faculty and staff that deal with cost centers in Companies 0402, 0403, 0412, as well as corresponding cost sharing centers in Companies 0132, 0133 and 0152.

Note that on occasion 0392, 0352 or 0362 may have cost sharing cost centers if the cost share funding comes from a Foundation. You can determine which cost centers in these companies provide cost sharing by the type "COST".

## Cost Center Notification

When sponsored program cost centers are set-up, an automated e-mail is sent to the Principal Investigator (PI), the Dept. Accountant and the Dept. Head notifying them of the cost center number. If a PI in your Department has not received the notification for a cost center that should have been set-up, you can call Josh Boice or Sandra McKinley in RSSP (5-3845) or Mike Sisco in Drex (5-4449) to inquire about the status of the project cost centers.

## Check On-Line Information

Once the cost center notification has been received, the PI and Administrative staff should go to DART on the University's electronic accounting system, and enter command CCC, then enter the cost center number and check the information on the cost center for accuracy. The next 3 screens will show CCC screens and notes will indicate things to check for.

```

admin
Host Edit View Options Tools Help
-----
0402 01530-21-0000 displayed; press PF8 for next screen or enter new keys
GLOCCC 1 PROD Company Cost Center - CCC 01/07/02 11:52
Command: Action: V InstCatg: DeptCatg: Date: 01/07/2002
CCC: 0402 01530-21-0000
-----
Action: V CCC: 0402 01530-21-0000 Screen 1 of 4
Desc: US/NSF/DMS-0101212/SINGULAR INTEGRALS/LA Near Current/Future: Y
Follow-up Cd:
Short Description: INFOEDO2958/L. LANZANI
BU: MASC Mathematical Sciences Type: GRNT
SOF Cd: 10 State Appr Voucher:
Date Active: 05/24/2001 Date Proj Begin: 07/01/2001
Date Inactive: 06/30/2003 Date Adj End: 09/30/2003 Date Closed: 12/31/2099
Created: 05/25/2001 By: SMITH
Updated: 08/13/2001 By: FMCCAND
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Help Suspnd Quit DCode RelCC NextS EDesc
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Connected to admin port 23 7/35 NUM 11:58:38 IBM-3278-2-E

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- Be sure the BU field has the correct budgetary unit. This is usually the BU that the PI works in.
- Be sure that the Date Proj Begin is the correct date that this sponsored program is supposed to begin. It should correspond to the beginning date of the project per the Sponsored Program Agreement. If the Sponsor has approved pre-award costs, the Date Active may be earlier than the Date Proj Begin. If the 2 dates are the same then pre-award costs may not be allowed (Contact the Administrative Consultant to be sure).
- Make sure that the Date Inactive agrees to the ending date of the project per the Sponsored Program Agreement. All expenses for the project should be incurred between the Date Proj Begin and the Date Inactive. Some expenses (like final indirect costs) may be posted between the Date Inactive and the Date Adj End but they all should have been incurred as of the

Date Inactive.

- The Date Adj End is generally 3 months after the Date Inactive. This is because OMB Circular A-110 Section 71(a) requires recipients to submit “within 90 calendar days after the date of completion of the award, all financial and other reports as required by the terms and conditions of the award.” To assist Research Accounting in closing out a cost center and filing the necessary reports, we have requested that departments complete posting of all financial transactions within 60 calendar days of the date inactive.
- When all reports have been filed, all funds have been received, and all expenses are posted, Research Accounting will close the cost center by resetting the date closed.

```
admin
Host Edit View Options Tools Help
Press PF8 to view next screen or enter new keys
Decoding has been performed CCC 01/07/02 12:01
Command: Action: V InstCatg: DeptCatg: Date: 01/07/2002
CCC: 0402 01530-21-0000
-----
Action: V CCC: 0402 01530-21-0000 Screen 3 of 4
Project Name:
SINGULAR INTEGRALS & COMPLEX ANALYSIS IN ONE & SEVERAL VARIABLES

Proposal ID: External Tracking No:

PI EMPLOYEE IDS:
PI1: 140489 Lanzani, Loredana/ PI2:
PI3: PI4:

Dept Cont Pos: 08678 Young, Gloria/R.

Sponsor Vendor ID: 103512-02-020 Sponsor Cd: NSF National Science Foundati
CFDA Cd: 47.049 Mathematical and Physical Sciences

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Help SuspD Quit DCode RelCC PrevS NextS EDesc

Connected to admin port 23 12/26 NUM 12:07:15 IBM-3278-2-E
```

Screen 3 of the CCC command gives the project name, the PI, the department contact, and sponsor information. If you use your F4 key and hit enter, names will be displayed along with the employee ID and position #. Be sure the information is correct.



```
admin
Post Edit View Options Tools Help
Please enter new key fields
Decoding has been performed CCC 01/07/02 11:59
Command: Action: V InstCatg: DeptCatg: Date: 01/07/2002
CCC: 0402 01530-21-0000
-----
Action: V CCC: 0402 01530-21-0000 Screen 4 of 4
Award No: DMS-0101212
Passthru Grantor: N/A
F&A Cost Cd: Y F&A Basis: N Excludes equip,tuit,part sup & trav
F&A Cost Rate: 40.200 F&A Limit: 23,006.00 Fixed Price Amt:
Pymt Method: L Letter of Credit LOC Type: NSF National Science Foundati
Billing Freq: O Other Sub-Recipient: N Off Campus: N Applied Research: N
Admin Consultant Position: 4200 Davis, Shannon/G
Responsible Acct Position: 3099 Wolfe, Sharon/Blakeslee
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
Help Suspnd Quit DCode RelCC PrevS NextR EDesc
```

Screen 4 contains the award number as well as facilities and administrative cost information and billing information. The pass thru grantor field tells if we are a sub-recipient. The Administrative consultant field tells who in RSSP or DREX is assigned to the cost center as the administrative consultant. The Responsible Accountant field tells what accountant in Research Accounting has been assigned to the cost center.

## Check On-Line Information

Next enter LBSP in the command field. Check the budget categories and budget amounts for the cost center. Does this agree to the proposal? Is the budget appropriate for this project? If there are budget problems try to address them on the front end.

If the cost center is an advanced cost center (set-up prior to receipt of all award documents) there probably won't be a complete budget. Also screen 2 of CCC will list an attribute of "TEMP". Advanced cost centers are set-up when an award is nearly assured. The Department Head will submit an advanced cost center request form and promises to take responsibility for the expenses posted to the cost center if the award is not made.

# Expenditures

Once your cost center is set-up you can begin to assign costs to the cost center. Payroll assignments can be made for faculty or staff assigned to the project. Note that clerical staff charges are usually made through the F & A rate, and should only be directly charged to a cost center when clerical staff works exclusively on sponsored programs and the charges are included in the proposal.

# Expenditures

Blanket purchase orders can also be set-up once the cost center is in place. Sponsored programs require separate blanket purchase orders from the regular department blanket purchase orders. This is to keep routine department purchases from being charged to a sponsored program.

# Expenditures

Expenses posted to the cost center should be expenses specifically incurred for the sponsored program. Remember the following items are unallowable on federal grants and contracts per OMB Circular A-21.

1. Alcoholic beverages
2. Alumni activities
3. bad debt expense
4. commencement costs
5. contingency provisions

## Unallowed expenses – Continued

6. Certain legal expenses (check with RSSP or Research Accounting)
7. Entertainment costs
8. Lobbying costs
9. Fines & penalties
10. Goods and services for personal use
11. Costs of organized fund raising
12. Investment counsel

## On-line Information

The LBSP command in DART provides budget, expenses to date, encumbrances and remaining balances by category for sponsored program cost centers. You can drill down by marking and suspending on a budget category to get more detailed information on expenditures by month.

LBSP is a life-to-date screen. If a sponsored program spans more than one fiscal year, you will need to change the date on LBSP to obtain detailed information about prior year activity.

admin

Host Edit View Options Tools Help

Select an entry, PF8 to page forward, or enter new keys

GLOLBSP 1 PROD List Balances for Sponsored Programs - LBSP 01/07/02 12:05

Command: Action: V InstCatg: DeptCatg: Date: 01/31/2002

CCC: 0402 01530-21-0000 Class: S Comm/Pend/Pln (Y/N): N Seq Cd:

-----

List Balances for DAC: 0402 01530-21-0000 US/NSF/DMS-0101212/SINGULAR INTEGRALS

for Inst Cat: and Sequence No: as of End Date: 01/31/2002

BU: MASC Mathematical Sciences Active: 07/01/2001 Inactive: 06/30/2003

DeptCatg	Budget LTD	Expenses LTD	Encumbrances	Comm/Pend	Avail Funds
SalNC	27,524.00	9,289.33			18,234.67
SalClass					
SalGA					
Wages					
WagesStu					
OtherCom					
Fringes	6,456.00	2,209.00			4,247.00
Maint					
TravFor	3,750.00	1,225.30	1,938.60		586.10
TravDom	16,915.00	1,188.16			15,726.84
Cat Totals:	54,645.00	13,911.79	1,938.60		38,794.61

Categories 1 through 10 of 13 displayed

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---

Help Suspnd Quit DCode RStrt Forwd

Connected to admin port 23

14/29 NUM 12:09:20 IBM-3278-2-E



## On-Line Information

The LRSP command gives billing information for a sponsored project cost center. The Est Rev LTD column should match your total budget. The Revenue LTD column does not give the amount received from the sponsor, it gives the amount we have billed the sponsor for. If you need to know how much has actually been received from the sponsor, call Research Accounting.

admin

Host Edit View Options Tools Help

Select an entry, or enter new keys

GLOLRSP 1 PROD List Revenues for Sponsored Programs - LRSP 01/07/02 12:07

Command: Action: V InstCatg: DeptCatg: Date: 01/31/2002

CCC: 0402 01530-21-0000

---

List Balances for DAC: 0402 01530-21-0000 US/NSF/DMS-0101212/SINGULAR INTEGRALS  
 for Inst Cat: as of End Date: 01/31/2002

BU: MASC Mathematical Sciences Active: 07/01/2001 Inactive: 06/30/2003

DeptCatg	Est Rev LTD	Revenue LTD	Transfers LTD	Variance
Grants	80,235.00	21,967.24		58,267.76

Cat Totals: 80,235.00 21,967.24 58,267.76

Categories 1 through 1 of 14 displayed

Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---

Help Suspd Quit DCode RStrt

Connected to admin port 23 17/26 NUM 12:10:47 IBM-3278-2-E

## Facilities & Administrative Costs

All F & A (indirect) costs are entered by Research Accounting immediately following month end closing. If you see any problems with the way F & A costs have been calculated, call Research Accounting. F & A costs are usually applied on a modified total direct cost basis which excludes tuition, stipends, participant support, participant travel, capital outlay and subcontracts in excess of \$25,000 from the direct cost base before applying the indirect cost % as per the sponsored agreement.

# Payroll Certification

OMB Circular A-21 requires an after-the-fact confirmation of payroll costs charged to sponsored programs or in some cases F & A categories. Our confirmation system is an electronic system located in the WebBASIS. Specific instructions can be found on the Research Accounting website at <http://finance.uark.edu/research.asp>.

- . Remember, A-21 requires that the person confirming payroll charges must have direct knowledge or a suitable means of verification of the work of the employee being confirmed.

# Cost Sharing

Required cost sharing centers funded by the department are usually set-up in companies 0132, 0152 or 0133. If cost sharing is required for your sponsored program be sure you have a source of funds for the cost sharing center budget. Research Accounting will transfer funds to the cost sharing center from the source of funds that you have provided. Remember, expenditures that are unallowable on grants are usually unallowable as cost sharing also.

## Revisions and Extensions

If your sponsored program needs budget revisions or time extensions contact RSSP or DREX immediately. A delay in requesting revisions or extensions could cause your request to be denied.

## Conflict of Interest

Section 42 of OMB Circular A-110, prohibits recipients of federal funds from having any real or apparent conflict of interest regarding procurement. If you, any investigator on a sponsored program or an immediate member of your family have an interest in any vendor supplying goods or services to a sponsored program, please discuss that situation with RSSP or Research Accounting staff.

## Graduate Assistant Tuition

- Tuition for Graduate Assistants is considered a fringe benefit. Department personnel must post this expense electronically by a Graduate Assistant Tuition Waiver (GATW) in PSB. Please be sure that tuition is allowed before posting it to a sponsored program.

If there is a tuition category in the budget we assume it was set-up for the GA. In these cases we will not transfer the expense but we will monitor the FBGATuit category to see if amounts posted exceed the tuition budgeted.



# Tuition

Tuition expense must be specifically allowed in order to charge it to a sponsored program. When charging tuition to sponsored programs make sure that there is a tuition category with adequate available funds on the cost center to be charged.

# Expense Corrections

Expense transfer(s) and retroactive payroll adjustment(s) can only be used to correct posting errors. Never use these type of transactions to “use up budgeted funds”. These type of transactions can be used to transfer excess expenses off of a sponsored program.

## Expenses over 90 Days Old

- Expenses should be posted to sponsored programs timely. Expenses that were incurred over 90 days before they are posted to a sponsored program are considered to be exceptions and will receive additional scrutiny from sponsors and auditors. The “90 Day and Older Cost Transfer Request Form” found on the Research Accounting webpage is required for all transfers of an expense that is 90 days old or older to a sponsored program. The completed form can be faxed to the Research Accounting Office at 5-7494.

Note that the “90 Day and Older Cost Transfer Request Form” is not required when transferring an expense from a sponsored program to an unrestricted cost center. The form is required for transfer of expenses to sponsored program cost sharing cost centers.

# Cost Center Close-Out

Excess expenditures on a sponsored program cost center should be moved to a Departmental cost center. All expenses should be posted by the Department within 60 days of the date inactive (or earlier depending on specific program stipulations). This gives Research Accounting 30 days to enter any final indirect costs and prepare final financial reports.

## Cost Center Close-Out

When all expenses have been posted for the sponsored program, all funds have been received from the sponsor all encumbrances closed/cancelled, and all P-card authorizations have been deleted on LEAC in UPS, Research Accounting will close out the cost center.